

INTRODUCTION

This 2013 Annual Report and 2014 Annual Plan are submitted by **tw telecom holdings inc.** ("**tw telecom**") to the Public Utilities Commission of California ("CPUC") pursuant to Sections 8281-8286 of the Public Utilities Code and Sections 9 and 10 of General Order 156 ("GO 156").

tw telecom is committed to actively identifying, encouraging business opportunities for, purchasing products and services from, and growing **tw telecom's** base of Women, Minority and Disabled Veteran Business Enterprises ("WMDVBE") pursuant to GO156. **tw telecom** has an established nationwide federal Small & Diverse Business Subcontracting Plan pursuant to FAR 19.704 and FAR clause 52.219-9.

As a provider of telecommunications services whose gross annual revenue exceeds \$25 million, **tw telecom** recognizes its obligation to provide the CPUC with annual detailed and verifiable plans concerning its WMDVBE procurement in all categories. In order to accomplish the objectives and requirements set forth in GO156, **tw telecom** identified areas that differ from its federal and other state plans that require a focused effort and re-alignment of **tw telecom's** Supplier Diversity program in 2014 and beyond. **tw telecom's** Supplier Diversity Team and employees are excited about the opportunity to continue to improve its Supplier Diversity program and increase its WMDVBE spend.

tw telecom continues to focus on communicating with its Supplier base, strengthening its ability to expand ongoing business with WMDVBE vendors, and expanding its Supplier Diversity program within California. Communication improvements include **tw telecom's** internal and external website updates, which deliver Supplier Diversity training and information that contribute to spend and purchasing decisions affecting California and other local markets nationwide. Communication improvements on **tw telecom's** company WMDVBE goals and objectives were instituted by updating the external company potential supplier and diverse supplier web pages, updating the internal company procurement and supplier diversity web pages to provide all employees access to the company's diversity plans, policies, diverse supplier organization links, and suppliers, and enforcing **tw telecom's** Tier 2 program and the company's *Supplier Certification Form* requirements. All new suppliers to **tw telecom** must complete a Supplier Certification Form to represent their business size, structure, classification and diversity certification status. **tw telecom** benefitted from its "Procure to Pay" v9.1 PeopleSoft upgrade that enhanced the company's ability to capture Supplier Diversity information in its vendor files beginning in 2012. Furthermore, **tw telecom** will benefit from its B2B supplier portal and EDI programs that went live in 2013-2014. These initiatives changed how **tw telecom's** suppliers interact with **tw telecom** by providing a web-based electronic portal for transactions that streamline the procure to pay processes. The B2B supplier portal and EDI programs will enhance reporting and trending analysis of **tw telecom** supplier activities. As part of **tw telecom's** financial system, automated workflow functionality is used to route all purchases in excess of \$100,000 for buyer review to ensure that diverse suppliers were provided the opportunity to support the business requirement.

For 2012, **tw telecom** revised its Procurement Policy with a heightened emphasis on and awareness of the need to solicit business from WMDVBEs. In 2014, **tw telecom** will revisit its Procurement Policy and identify new mechanisms for interweaving diverse spending review and decision making into the fabric of its business. **tw telecom** continues to expand and update its employees' awareness of WMDVBE opportunities and methods to identify new WMDVBE suppliers. Additionally, **tw telecom's** Diversity Administrator continues to work with the local market teams to further engage them in the goal making process, to train them on new and available tools to identify diverse resources (available both on **tw telecom's** internal webpage and on external resources such as the CPUC's Clearinghouse), and to familiarize employees with GO156 and the associated plan requirements. **tw telecom** is focused on

expanding its successes, improving any weaknesses, and making sure that those individuals who are in a position to make purchasing decisions understand and follow through on the company's commitment to supplier diversity. The objective of **tw telecom's** diversity training is to ensure that the Procurement Organization, Regional Leadership, and Local Offices are all armed with the appropriate resources, information, and tools to identify and award business to diverse sources of supply.

In 2013, **tw telecom** placed more emphasis on establishing partnerships with local Small Business Administrations and Ethnic Chambers to identify additional opportunities for expanding its local spending and community participation in local events. Additionally, **tw telecom** reviewed its internal procurement document templates (i.e., RFx, Purchase Order and Agreements) and updated language necessary to support communications to its suppliers related to **tw telecom's** commitment to its diversity program.

In 2014, **tw telecom** will be sending its existing suppliers a Supplier Certification request to be used in updating their diversity status. Additionally, **tw telecom** is taking steps to infuse its supplier diversity program with new internal motivators, changes in policy(ies) and enhanced resources to further support its program.

tw telecom is committed to building a strong base of diverse suppliers. Supporting the diverse supplier community is the right thing to do for the company, the communities it serves, and its customers.

GO156, §9 2013 ANNUAL REPORT

9.1.1 DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES ENGAGED IN DURING THE PREVIOUS CALENDAR YEAR. THIS DESCRIPTION SHALL INCLUDE BOTH INTERNAL AND EXTERNAL ACTIVITIES.

Internal Activities

Training and Education

In 2013, **tw telecom** continued providing formal training and education on the new PeopleSoft Financials v9.1 system functionality. Additionally, **tw telecom** provided training and education to its employees and suppliers in support of the company's new electronic data exchange ("EDI") and B2B supplier portal programs. A key component of these new tools is the eRFQ functionality, which is further described in the Procurement Processes section below. This training was delivered as a company-wide requirement to persons involved in the selection of suppliers and purchasing decisions. The training was a part of the overall review and re-education on the company's Procure to Pay policy and process requirements. The training reinforced the company's Supplier Diversity, Due Diligence and Procurement Policies and explained the new PeopleSoft Financials automated controls. Field Sales, Engineering, and Operations leaders as well as corporate Procurement, Contracting, Purchasing, Engineering, Operations, IT, and Accounting personnel received this training via targeted webcasts, conference calls and a web based training tool. Many of these groups develop national standards, companywide specifications, and make purchasing decisions that affect all of the company's local markets. By targeting these groups, the company helped drive a larger percentage of **tw telecom's** spending toward diverse enterprises. Ensuring that these groups are constantly aware of changes to the company's supplier diversity goals, understand **tw telecom's** commitment to meeting state and federal WMDVBE objectives, and are trained on the opportunities to more easily identify WMDVBE suppliers, means they can more effectively implement the company's goals.

This training remains a requirement for on-boarding purchasing decision makers within the field organizations, Sales, Offer Management and other corporate departments. Follow-on/reinforcement training was provided through emails, conference calls and knowledge sharing sessions.

Employee Communication

In 2013, **tw telecom** maintained and updated its internal procurement and diverse supplier webpages as part of a transition to a new intranet site. These webpages provide all employees access to the company's diversity plans, procurement policies, and supplier lists inclusive of existing and potential diverse suppliers. Employees are encouraged to use these supplier lists when identifying participants for bids. The company website (now MyConnect) helped increase small and diverse supplier opportunities by providing decision makers with access to new and expanded bidder lists as well as lists of diverse vendors currently in use and available for new bids. Information was also posted to the site, and updated throughout the year, for those employees wishing to attend minority business enterprise opportunity workshops and trade fairs. Additionally, **tw telecom** sent targeted email correspondence to, and had market specific discussions with, field organizations to raise awareness of upcoming Supplier Diversity event opportunities and reinforce plan requirements for the year.

Data Quality and Reporting

In 2013, **tw telecom** continued its efforts to improve the company's WMDVBE data quality by maintaining its existing vendor records and loading new vendor records with diversity information. **tw telecom** continues to use the enhancements that were instituted as part of the v9.1 PeopleSoft upgrade to the company's Accounts Payable and Reporting system which went live January 3, 2012. Additional improvements were implemented in the form of a mechanized vendor set-up submittal process. These enhancements are helping the company set meaningful goals, track accomplishments, review credible vendor spend data, and fully validate the WMDVBE program's success.

In addition to implementing and utilizing improved reporting capabilities through the implementation of the B2B supplier portal and EDI, **tw telecom** sought to improve the accuracy of its vendor data by contacting its purchase order vendors to request up-to-date information. This information will be used in 2014-2015 toward mailings, emails, and personal follow-up for refreshing the supplier diversity data in the vendor files. **tw telecom** continues to maintain and improve vendor information as well as develop reports to consistently meet varying federal, state, and local reporting requirements.

Procurement Processes

The Supplier Diversity Team continued to meet with representatives of key corporate departments including Accounting, Legal, Engineering, Program Management, Finance, and Accounting, as well as representatives of Field Organizations including Sales and Operations,

to review processes and approaches to identify opportunities for improvement. The goal remains in place to more seamlessly incorporate the identification, inclusion, and selection of diverse suppliers into the company's operations. The team also assessed methods to best identify varying needs of the soliciting entities so that the Supplier Diversity Team can more quickly evaluate and implement those requirements. In many respects, the actual training of employees, outreach, and identification and use of diverse suppliers is the least complicated portion of **tw telecom's** program. Meeting the challenges of reporting the company's goals, objectives and progress in a manner that satisfies many differing entities' reporting requirements across the country can be complex and consume time that the company would rather use for outreach and development. **tw telecom's** ongoing objective is to consolidate the solicitation, ordering and reporting efforts and processes to make them more efficient so that the company can focus more time on expanding the diverse supplier base. In that vein, as part of the B2B supplier portal implementation, **tw telecom** developed an automated mechanism to manage requests for quotation that will be implemented in 2014. As part of the PeopleSoft Financials v9.1 implementation, **tw telecom** instituted an automated workflow that routes all requisitions in excess of \$100k for buyer review and validation of supplier diversity due diligence. Submission of justification supporting the award of business to a non-diverse supplier is required as part of this workflow and due diligence process. Reporting tools were reevaluated and updated to help streamline the quarterly analysis and annual reporting processes.

Other activities included maintaining and revising language in all of the company's RFP/Bid and Contract documents to ensure that the most up-to-date disclosure requirements and flow down provisions are included.

Tier 2 Program

tw telecom continued to improve upon its Tier 2 reporting criteria. The company recognizes the importance of tracking this spend and developing WMDVBE business through its prime contractors. Throughout 2013, **tw telecom** worked principally with its large, non-diverse, high-spend suppliers to enhance its Tier 2 reporting process and tools by educating them on the need for diversity in their supply chains and requesting reports quarterly to reflect their direct and indirect diverse spend. As **tw telecom** continues to expand its Tier 2 program, increased participation in future annual reports is anticipated.

tw telecom continues to identify and implement new opportunities and expand business with WMDVBE subcontractors as a result of work with prime contractors. While supporting the Tier 2 program, **tw telecom** has identified opportunities to provide suppliers with guidance on becoming certified as a diverse supplier or expanding their company's diversity opportunities. Additionally, **tw telecom** continues to engage its prime contractors in discussions on partnering opportunities for their diverse authorized resellers to provide services to **tw telecom**. These options are continuing to expand.

Although we encourage our suppliers to have their sub-contractors certified through the CPUC Clearinghouse, vendors self-report their Tier 2 activity and it is not independently verified.

External Activities

Business Organization Involvement.

- **tw telecom** is a member of and involved with the Rocky Mountain Minority Supplier Development Council ("SDC").
- The company attended WMDVBE Business Opportunity Workshops, Minority Business Enterprise Seminars and Trade Fairs.
- The company attended Minority, Women-owned, and other diverse business/procurement conferences including the SDC Business Opportunity Fair and seminars related to WMDVBE opportunities and the Supplier Diversity Development Roundtable.
- **tw telecom** intends to participate in upcoming seminars and tradeshow offered by the RMMSDC, Ethnic Business Associations and/or Ethnic Chambers.
- **tw telecom's** public sector sales organization has a membership with, and participates in, events hosted by the ACT-IAC.

Technical Assistance/Capacity Building

tw telecom is not of the same size and scale as those companies that have proactive Technical Assistance and Capacity Building programs and therefore does not have separate expenditures in this regard. **tw telecom** will continue its outreach through participation in supplier diversity networking events, seminars, conferences, and in its daily course of business by educating new diverse suppliers on how to navigate **tw telecom's** approved-vendor set up processes and existing suppliers on how to grow their opportunities with tw telecom.

- 9.1.2 A SUMMARY OF WMDVBE PURCHASES AND/OR CONTRACTS, WITH BREAKDOWNS BY ETHNICITY, PRODUCT AND SERVICE CATEGORIES COMPARED WITH TOTAL UTILITY CONTRACT DOLLARS AWARDED TO OUTSIDE VENDORS IN THOSE CATEGORIES.

Supplier Diversity Annual Results by Ethnicity – California Direct and Tier 2 (Sub)

		2013			
		Direct \$	Sub \$	Total Direct and Sub\$	%
MBE (Men only)	Asian-Pacific	\$ 49,876	\$ 27,298,127	\$ 27,348,003	0.12%
	Black	\$ -	\$ 90,992,071	\$ 90,992,071	0.00%
	Hispanic	\$ 2,753,969	\$ 60,987,646	\$ 63,741,615	6.70%
	Native-American	\$ -	\$ 5,878,749	\$ 5,878,749	0.00%
	Other (Minority Only)	\$ 124,139	\$ 117,000,895	\$ 117,125,034	0.30%
	Total Minority Men	\$ 2,927,984	\$ 302,157,488	\$ 305,085,472	7.13%
WBE	Asian-Pacific	\$ 62,270	\$ 657,702	\$ 719,972	0.15%
	Black	\$ -	\$ 254	\$ 254	0.00%
	Hispanic	\$ -	\$ 8,624,465	\$ 8,624,465	0.00%
	Native-American	\$ -	\$ 155,810	\$ 155,810	0.00%
	Other	\$ -	\$ 166,810,645	\$ 166,810,645	0.00%
	Total Women	\$ 62,270	\$ 176,248,876	\$ 176,311,146	0.15%
DVBE	Disabled Veteran Owned - MEN	\$ -	\$ 21,431,321	\$ 21,431,321	0.00%
	Disabled Veteran Owned - WOMEN	\$ -	\$ 462,276	\$ 462,276	0.00%
	Total DVBE	\$ -	\$ 21,893,597	\$ 21,893,597	0.00%
Minority Business Enterprise (MBE-MEN only)		\$ 2,927,984	\$ 302,157,488	\$ 305,085,472	7.13%
Women Business Enterprises (WBE)		\$ 62,270	\$ 176,248,876	\$ 176,311,146	0.15%
Subtotal Minority, Women Business Enterprise		\$ 2,990,254	\$ 478,406,364	\$ 481,396,618	7.28%
Service Disabled Veteran Business Enterprise		\$ -	\$ 21,893,597	\$ 21,893,597	0.00%
TOTAL MWDVBE		\$ 2,990,254	\$ 500,299,961	\$ 503,290,215	7.28%
Gross Procurement		\$ 41,077,590			
Exclusions			0		
Net Procurement		\$ 41,077,590			

Note: Gross and Net Procurement are based on tw telecom CA Direct spend only (less employee, utility, carriers and tax spend). Therefore, the percentage calculation is derived from Direct Spend/Net Procurement.

Supplier Diversity Procurement by Products and Services Category - California Direct

2013 Diversity Spend Report for CA, PUC General Order 156								
Based on CA Spend only - Excludes EM, RC, UT & TD			Products		Services		Total	
Men	Asian	Direct	\$ -	0.0%	\$ 49,876	0.1%	\$ 49,876	0.1%
	African American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Hispanic	Direct	\$ 88,988	5.7%	\$ 2,664,980	6.7%	\$ 2,753,969	6.7%
	Native American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Disabled Veteran Owned	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Other Diverse Classifications	Direct	\$ 518	0.0%	\$ 123,621	0.3%	\$ 124,139	0.3%
	Total Diverse Men	Direct	\$ 89,506	5.7%	\$ 2,838,478	7.2%	\$ 2,927,984	7.1%
Women	Asian	Direct	\$ -	0.0%	\$ 62,270	0.2%	\$ 62,270	0.2%
	African American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Hispanic	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Native American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Disabled Veteran Owned	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Other Diverse Classifications	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Women-Owned (non-minority classifications)	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Total Diverse Women	Direct	\$ -	0.0%	\$ 62,270	0.2%	\$ 62,270	0.2%
Total Minority Business (MBE)			\$ 89,506		\$ 2,900,748		\$ 2,990,254	7.3%
Women Business (WBE)			\$ -		\$ -		\$ -	0.0%
Subtotal Woman, Minority Business Enterprise (MWBE)			\$ 89,506		\$ 2,900,748		\$ 2,990,254	7%
Service Disabled Veteran (DVBE)			\$ -		\$ -		\$ -	0%
Total WMDVBE			\$ 89,506		\$ 2,900,748		\$ 2,990,254	7%
Total CA Spend			\$ 1,572,317		\$ 39,505,273		\$ 41,077,590	
Total WMDVBE by Category								
Asian			\$ 112,146	3.75%				
African American			\$ -	0.00%				
Hispanic			\$ 2,753,969	92.10%				
Native American			\$ -	0.00%				
Disabled Veteran Owned			\$ -	0.00%				
Other Diverse Classifications			\$ 124,139	4.15%				
Women Owned			\$ -	0.00%				
Total WMDVBE			\$ 2,990,254	100.00%				

Percentages for "Products" expenditures are WMDVBE expenditures compared to "Total Product Procurement" expenditures. Percentages for "Services" expenditures are WMDVBE expenditures compared to "Total Services Procurement" expenditures. Percentages for "Total" expenditures are WMDVBE expenditures compared to "Net Procurement" expenditures.

Note: tw telecom instituted a new reporting standard in 2013 that is driven by account coding, which limits each designated account to reflect either product or service. The result shows a significant shift in 2013 spend over 2012 spend to be reflected as product rather than service.

Supplier Diversity Procurement Contracts

2013 WMDVBE Contract Information				
Category	Total WMDVBE Vendors with Contracts	Total \$ Attributable to WMDVBEs with Contracts	Total WMDVBE Vendors Receiving Direct Spend	WMDVBE Vendors with Majority Workforce in CA
Asian	0	\$ -	2	
African American	0	\$ -	0	
Hispanic	3	\$ 2,753,969	3	
Native American	0	\$ -	0	
Disabled Veteran Owned	0	\$ -	0	
Other Diverse Classifications	2	\$ 19,331	3	
Women Owned (non Diverse)	2	\$ -	0	
Women Owned (Diverse)	0	\$ -	0	
Total 2013	7	\$ 2,773,300	8	

Note: tw telecom's contracts are generally set-up for use company-wide. This table represents the number of vendors with master agreements currently in place with WMDVBEs in CA and the associated spend in CA against such vendors.

tw telecom's OFCCP AAP obligations include only applicants for employment and employees. AAP obligations do not require tracking of diversity in **tw telecom's** supplier base, therefore there is no mechanism in place to track and include WMDVBE Vendors with majority workforce in CA.

As **tw telecom's** Tier 2 program expands and more vendors participate, the total Sub numbers will increase, as can be seen in the difference in numbers reported for 2011 vs 2012.

Supplier Diversity Procurement by Products and Services Category - California Subcontract
(Please see table on following page.)

tw telecom Supplier Diversity Tier 2 Spend Report - 2013 - YTD						
		Products		Services		Total
		Direct	Indirect	Direct	Indirect	
MBE (MEN ONLY)	Asian-Pacific	\$1,968,698	\$23,628,487	\$0	\$1,700,942	\$27,298,127
	Black	\$0	\$90,648,591	\$57,550	\$285,930	\$90,992,071
	Hispanic	\$20,543,280	\$39,928,726	\$419,422	\$96,217	\$60,987,646
	Native-American	\$0	\$5,876,412	\$0	\$2,336	\$5,878,749
	Other (Minority ONLY - Exclude Veteran-Owned and Small Business)	\$2,345,849	\$11,508,331	\$0	\$103,146,715	\$117,000,895
	Total Minority Men	\$24,857,828	\$171,590,547	\$476,972	\$105,232,141	\$302,157,488
WBE	Asian-Pacific	\$0	\$657,566	\$0	\$136	\$657,702
	Black	\$0	\$30	\$0	\$224	\$254
	Hispanic	\$8,595,495	\$4,088	\$9,656	\$15,227	\$8,624,465
	Native-American	\$64,321	\$3	\$91,465	\$21	\$155,810
	Other	\$8,603,939	\$92,012,993	\$518,569	\$65,675,144	\$166,810,645
	Total Minority Women	\$17,263,755	\$92,674,679	\$619,690	\$65,690,752	\$176,248,876
DVBE	Disabled Veteran Owned - MEN	\$4,251	\$1,961,085	\$0	\$19,465,985	\$21,431,321
		\$0	\$0	\$0	\$0	
	Disabled Veteran Owned - WOMEN	\$300	\$460,986	\$0	\$990	\$462,276
		\$0	\$0	\$0	\$0	
	Total DVBE	\$4,551	\$2,422,071	\$0	\$19,466,975	\$21,893,597
Total Minority Business Enterprise (MBE Men Only)		\$24,857,828	\$171,590,547	\$476,972	\$105,232,141	\$302,157,488
Women Business Enterprises (WBE)		\$17,263,755	\$92,674,679	\$619,690	\$65,690,752	\$176,248,876
Subtotal Women, Minority Business Enterprise (MWBE)		\$42,121,583	\$264,265,227	\$1,096,662	\$170,922,893	\$478,406,364
Service Disabled Veteran Business Enterprise (DVBE)		\$4,551	\$2,422,071	\$0	\$19,466,975	\$21,893,597
TOTAL WMDVBE		\$42,126,134.18	\$266,687,297.71	\$1,096,661.78	\$190,389,867.52	\$500,299,961.19

Gross Procurement	\$7,689,711,235
Exclusions	\$3,260,029,906
Net Procurement	\$4,429,681,329

Total Net Product Procurement	\$3,305,666,208
Total Net Service Procurement	\$646,945,950
Net Procurement	\$3,952,612,158

tw telecom WMDVBE Procurement SIC Code Legend:

SIC Cat.	SIC Category Description	SIC Cat.	SIC Category Description	SIC Cat.	SIC Category Description	SIC Cat.	SIC Category Description
14	Mining and Quarrying of Nonmetallic Minerals, Except Fules	40	Railroad Transportation	64	Food Stores	96	Administration of Economic Programs
15	Building Construction General Contractors & Operative Builders	41	Local and Suburban Transit and Interurban Highway Passenger Transportation	65	Real Estate	97	National Security and International Affairs
16	Heavy Construction	42	Motor Freight Transportation and Warehousing	67	Holding and Other Investment Offices	99	Nonclassifiable Establishments
17	Construction Special Trade Contractors	43	United States Postal Service	70	Hotels, Rooming Houses, Camps, and Other Lodging Places		
20	Food and Kindred Products	44	Water Transportation	72	Personal Services		
21	Tobacco Products	45	Transportation by Air	73	Business Services		
22	Textile Mill Products	46	Pipelines, Except Natural Gas	75	Automotive Repair, Services, and Parking		
23	Apparel & Other Finished Products Made from Fabrics & Similar Materials	47	Transportation Services	76	Miscellaneous Repair Services		
24	Lumber and Wood Products, Except Furniture	48	Communications	78	Motion Pictures		
25	Furniture and Fixtures	49	Electric, Gas, and Sanitary Services	79	Amusement and Recreation Services		
26	Paper and Allied Products	50	Wholesale Trade-durable Goods	80	Health Services		
27	Printing, Publishing, and Allied Industries	51	Wholesale Trade-non-durable Goods	81	Legal Services		
28	Chemicals and Allied Products	52	Building Materials, Hardware, Garden supply, and Mobile Home Dealers	82	Educational Services		
29	Petroleum Refining and Related Industries	53	General Merchandise Stores	83	Social Services		
30	Rubber and Miscellaneous Plastics Products	54	Food Stores	84	Museums, Art Galleries, and Botanical and zoological Gardens		
31	Leather and Leather Products	55	Automotive Dealers and Gasoline Service Stations	86	Membership Organizations		
32	Stone, Clay, Glass, and Concrete Products	56	Apparel and Accessory Stores	87	Engineering, Accounting, Research Management, and Releated Services		
33	Primary Metal Industries*	57	Home Furniture, Furnishings, and Equipment Stores	88	Private Households		
34	Fabricated Metal Products, Except machinery and Transportation Equipment	58	Eating and Drinking Places	89	Miscellaneous Services		
35	Industrial & Commerical Machinery & Computer Equipment	59	Miscellaneous Retail	91	Executive, Legislative, and General Government, Except Finance		
36	Electronic and Other Electrical Equipment and Components, Except Computer Equipment	60	Dispository Institutions	92	Justice, Public Order and Safety		
37	Transportation Equipment	61	Non-depository Credit Institutions	93	Public Finance, Taxation, and Monetary Policy		
38	Measuring, Analyzing, and Controlling Instruments; Photographic, Medical & Optical Goods; Watches & Clocks	62	Security and Commodity Brokers, Dealers, Exchanges, and Services	94	Administration of Human Resource Programs		
39	Miscellaneous Manufacturing Industries	63	Insurance Carriers	95	Administration of Environmental Quality and Housing Programs		

For the Detailed Results of Supplier Diversity Procurement by Standard Industry Codes

Please See Tables on Following Pages

Standard Industry Code 2013 WMDVBE California Spend Report

Supplier Diversity Procurement by Standard Industry Code - Detail															Calendar Year 2013									
tw telecom holdings Inc. CA Spend only(omit tax, carrier, utility & employee paygroups)																								
			Asian		Black		Hispanic		Native-American		Disabled Veteran		Other		Total Minority Men	Total Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Subtotal Women, Minority Business Enterprise (WMBE)	Service Disable Veterans Business Enterprise (DVBE)	Total WMDVBE	per SIC Total Exp		
SIC Cat.	SIC Category Description		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women										
14	Mining and Quarrying of Nonmetallic Building Construction General	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
15	Heavy Construction	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 733,624		
16	Construction Special Trade Contractors	\$ %	\$ -	\$ -	\$ -	\$ -	\$ 2,664,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,664,588	\$ -	\$ 2,664,588	\$ -	\$ 2,664,588	\$ -	\$ 2,664,588.1	\$ 5,660,126		
20	Food and Kindred Products	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
21	Tobacco Products	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
22	Textile Mill Products	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335		
23	Apparel & Other Finished Lumber and Wood Products	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
24	Furniture and Fixtures	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
26	Paper and Allied Products	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
27	Printing, Publishing, and Allied	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 616,701		
28	Chemicals and Allied Products	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
29	Petroleum Refining and Related	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 633		
30	Rubber and Miscellaneous Plastics	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
31	Leather and Leather Products	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
32	Stone, Clay, Glass, and Concrete	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
33	Primary Metal Industries*	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
34	Fabricated Metal Products	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
35	Industrial & Commercial Machinery, & Equipment	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,937,629		
36	Electronic and Other Electrical	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,163,225		
37	Transportation Equipment	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
38	Measuring, Analyzing, and	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
39	Miscellaneous Manufacturing Industries	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,720	\$ -	\$ 11,720	\$ -	\$ 11,720	\$ -	\$ 11,720	\$ -	\$ 11,719.8	\$ 2,873,065		
40	Railroad Transportation	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,383		
41	Local and Suburban Transit and Motor Freight Transportation	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,314		
42	United States Postal Service	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,021		
43	Water Transportation	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,404		
45	Transportation by Air	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,004		
46	Pipelines, Except Natural Gas	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,464		
47	Transportation Services	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
48	Communications	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,572,676		
49	Electric, Gas, and Sanitary Services	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,612	\$ -	\$ 7,612	\$ -	\$ 7,612	\$ -	\$ 7,612	\$ -	\$ 7,611.7	\$ 3,271,094		
50	Wholesale Trade-durable Goods	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325		
51	Wholesale Trade-non-durable	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10		
52	Building Materials, Hardware, and Miscellaneous Building Materials	\$ %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 741		

[illegible]

9.1.3 AN ITEMIZATION OF WMDVBE PROGRAM EXPENSES PROVIDED IN THE FORMAT REQUIRED BY ATTACHMENT A TO D.95-12-045.

Expense Category	Description	2013 Actuals
Wages	Salary and payroll related costs of employees working on WMDVBE matters.	\$203,899
Other Employee Expense	Office space, travel, and other non-wage costs	\$10,891
Program Expenses & Training	Printing, postage, supplies, outreach, and other costs directly related to programs including costs related to training employees (internal) and suppliers (external)	\$11,500
Reporting Expenses	Computer, accounting, printing and other expenses in preparing reports to CPUC.	\$500
Consultants and Contractors	Costs of hiring consultants and contractors to assist with WMDVBE program.	\$0
Other	Miscellaneous costs that do not fit in other categories.	None Identified
Total		\$226,290

9.1.4 A DESCRIPTION OF PROGRESS IN MEETING OR EXCEEDING SET GOALS AND AN EXPLANATION OF ANY CIRCUMSTANCES THAT MAY HAVE CAUSED THE UTILITY TO FALL SHORT OF ITS GOALS.

This is **tw telecom's** fourth year submitting an annual report in the format prescribed by GO156. The following is a summary of the company's 2010, 2011, 2012 and 2013 California results:

Category	2011 Dollars	2011%	2012 Dollars	2012%	2013 Dollars	2013%
Minority Men	\$ 2,789,981	13.60%	\$ 3,141,231	8.80%	\$2,927,984	7.13%
Minority Women	\$393,832	1.90%	\$503,872	1.40%	\$62,270	0.15%
Minority Business Enterprises (MBE)	\$2,713,169	13.30%	\$3,176,299	8.80%	\$2,990,254	7.28%
Women Business Enterprises (WBE)	\$389,085	1.90%	\$443,017	1.40%	\$0	0.00%
Subtotal Women, Minority Business Enterprise (WMBE)	\$3,103,255	15.20%	\$3,619,315	10.20%	\$2,990,254	7.28%
Service Disabled Veteran Business Enterprise (DVBE)	\$81,558	0.40%	\$25,788	0.10%	\$0	0.00%
Total WMDVBE	\$3,183,813	15.60%	\$3,645,103	10.30%	\$2,990,254	7.28%

9.1.5 A SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVBE SUBCONTRACTORS.

This is **tw telecom's** fourth year reporting Tier 2 spend. **tw telecom** is continuing to examine methods to best validate vendor data, reporting, and compliance. The numbers reported herein are self-reported by the vendor(s) and are not independently validated.

TIER 2 WMDVBE	2010 Spend	2011 Spend	2012 Spend	2013 Spend
Asian	\$71,090	\$5,753,371	\$31,216,973	\$ 27,955,829
Black American	\$ -	\$753,577	\$62,768,570	\$ 90,992,325
Hispanic	\$20,005	\$2,787,970	\$36,340,912	\$ 69,612,111
Native American	\$4,917	\$131,772	\$291,963	\$ 6,034,559
Total MBE (from 9.1.2 above)	\$13,779,389	\$25,062,839	\$3,176,300	\$302,157,488
WBE	\$2,819,934	\$5,059,727	\$48,192,521	176,248,876
DVBE	\$5,400	\$75,963	\$1,890,019	21,893,597

9.1.6 A LIST OF WMDVBE COMPLAINTS RECEIVED DURING THE PAST YEAR, ACCOMPANIED BY A BRIEF DESCRIPTION OF THE NATURE OF EACH COMPLAINT AND ITS RESOLUTION OR CURRENT STATUS.

tw telecom did not receive any WMDVBE complaints in 2013.

9.1.7 A SUMMARY OF PURCHASES AND/OR CONTRACTS FOR PRODUCTS AND SERVICES IN EXCLUDED CATEGORIES.

tw telecom's understanding is that the GO 156 Ruling on November 14, 2003, ended the exclusion category. **tw telecom** does not exclude any product/service category from its purchase base other than those specifically stated in General Order 156, Section 8 such as payments to other utilities, government fees and taxes.

9.1.8 A DESCRIPTION OF ANY EFFORTS MADE TO RECRUIT WMDVBE SUPPLIERS OF PRODUCTS OR SERVICES IN PROCUREMENT CATEGORIES WHERE WMDVBE UTILIZATION HAS BEEN LOW, SUCH AS LEGAL AND FINANCIAL SERVICES, FUEL PROCUREMENT, AND AREAS THAT ARE CONSIDERED HIGHLY TECHNICAL IN NATURE.

A significant factor in **tw telecom's** low WMDVBE utilization is that a significant portion of the company's spend is in the area of network equipment and software. **tw telecom** reviews this area regularly and continues to seek new WMDVBE entrants in this area. Several suppliers explained, however, that the high level of ongoing capital investment required by most network

equipment and software companies is a deterrent to new entrants and is the reason that almost all current vendors in this area are publicly held companies.

tw telecom is committed to providing increased opportunities for diverse businesses in low utilization categories. In those cases where **tw telecom** is challenged by supply chain realities that may impede the ability to buy directly from WMDVBE suppliers, the company uses the Tier 2 program to expand supplier diversity efforts. **tw telecom** expresses its desire to primary contractors that they continue to utilize, make new awards, and report spending with diverse suppliers in fulfillment of their contracts. An example of **tw telecom's** efforts to include its prime suppliers in the Tier 2 program is found in its external Supplier Diversity webpage located at <http://www.twtelecom.com/suppliers/supplier-diversity/>. **tw telecom's** reporting process, validation, and data consolidation was designed to augment existing efforts to increase meaningful business opportunities for diverse suppliers. The company's spend with Tier 2 suppliers that have strong diversity programs is substantial and reflected in this report. As the Tier 2 reporting program matures, **tw telecom** is realizing growth in diverse spending through its partners.

- 9.1.9 UTILITIES SHALL RETAIN ALL DOCUMENTS AND DATA THEY RELY ON IN PREPARING THEIR WMDVBE ANNUAL REPORT FOR THE LONGER OF EITHER THREE YEARS OR IN CONFORMANCE WITH THE UTILITIES' INDIVIDUAL DOCUMENT RETENTION POLICIES, AND SHALL PROVIDE THESE DOCUMENTS AND DATA TO THE COMMISSION UPON REQUEST.**

Understood.

- 9.1.10 EACH UTILITY WHICH ELECTS TO REPORT FUEL PROCUREMENT SEPARATELY MUST FILE WITH THE EXECUTIVE DIRECTOR BY MARCH 1 OF EACH YEAR, BEGINNING IN 1991, A SEPARATE DETAILED AND VERIFIABLE REPORT ON WMDVBE PARTICIPATION IN FUEL MARKETS. THESE REPORTS MUST INCLUDE, AT A MINIMUM, THE RESULTS OF PURCHASES IN EACH FUEL CATEGORY. UTILITIES SHALL REPORT RENEWABLE AND NONRENEWABLE ENERGY PROCUREMENT IN A MANNER SIMILAR TO THEIR REPORTING OF FUEL PROCUREMENT.**

tw telecom is not reporting fuel procurement separately.

tw telecom is evaluating the ability to report renewable and nonrenewable energy procurement for future plans. **tw telecom** is not reporting renewable and nonrenewable procurement separately in the 2014 plan.

GO156, §10 2014 ANNUAL PLAN

10.1.1 SHORT, MID, AND LONG TERM GOALS SET AS REQUIRED BY SECTION 8, SUPRA

tw telecom uses historical information from prior years, anticipated company spend for the coming plan year, knowledge of major initiatives and opportunities, and input from key corporate departments, regional leadership, and local management in establishing its annual goals and objectives. While economic factors and influences outside the company's control affect overall purchasing decisions, **tw telecom** anticipates continued improvement upon goals and the resulting accomplishments year over year.

A summary of **tw telecom's** goals are as follows:

Term Goal	MBE	WBE	DVBE
Short Term (2014)	13.5%	2%	.5%
Mid Term (2016)	14%	3%	1%
Long Term (2019)	15.5%	5%	1.5%

The stated goals are not legally enforceable requirements or quotas of any kind and failure to meet or exceed them, or any other portion of this plan, is not subject to any penalty.

10.1.2 A DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES PLANNED FOR THE NEXT CALENDAR YEAR. THIS DESCRIPTION SHALL INCLUDE BOTH INTERNAL AND EXTERNAL ACTIVITIES

In 2013, **tw telecom** plans to expand its California Supplier Diversity Program and extend greater accountability to the California business units, leadership, and local employees who are closest to daily spend and purchasing decisions. In establishing its 2013 goals, objectives, and plan, **tw telecom's** Supplier Diversity and Procurement personnel worked jointly with the Regional Vice Presidents, General Managers and Operations Directors in the California markets to identify opportunities to expand the use of WMDVBE vendors.

In order to meet its 2014 goals, **tw telecom** has established the following internal activities:

1. Local Goals and Objectives.

In order for any program to be effective in 2014, **tw telecom** believes that goals and objectives must be established at the grassroots level within the company to ensure success. While **tw telecom** has established supplier diversity goals and objectives at a national level, the company has become increasingly aware that components of those goals must be applied to each individual market for them to be meaningful. In 2014, the Supplier Diversity Team, Procurement Department, and Local Management will, through collaborative planning and implementation sessions, continue efforts to reinforce the Supplier Diversity goals for each of the California markets that will contribute to **tw telecom's** overall 2014 Plan. This reinforcement process will engage, challenge, and establish local accountability to identify new and diverse sources of supply for employees who make purchasing decisions.

2. Training and Education.

In addition to updated training for **tw telecom's** key corporate departments, targeted refresher training will continue to be communicated to the California management and employees. **tw telecom** recognizes that not only must the management team and employees be knowledgeable about the WMDVBE program, they must also be well versed and familiar with the necessary supplier diversity "tools" to succeed. It is **tw telecom's** objective to ensure that the WMDVBE goals and objectives are clearly communicated and understood by every California employee involved in the evaluation, recommendation, or selection of vendors, and that they have the appropriate tools and resources at their disposal. Specific topics to be covered in 2014 market specific diversity training include:

- **tw telecom's** 2014 Annual Plan as submitted to the CPUC.
- Each market's WMDVBE goals and objectives as they relate to **tw telecom's** California and national Supplier Diversity programs.
- Training on key sections of GO156 and employee responsibility.
- WMDVBE Prime Contractor Outreach.
- CPUC Clearinghouse as a resource tool for validation of existing and location of potential diverse suppliers.
- **tw telecom's** 2014 Annual Plan as submitted to the GSA.
- Targeted diversity opportunities for underutilized businesses.
- Local Diversity Leaders and resources.
- Educate and encourage the use of eRFQ functionality that became available for use on January 13, 2014.

3. **WMDVBE Prime Contractor Outreach.**

tw telecom intends to strengthen its Supplier Diversity Outreach on a continuing basis in 2014. Some of the efforts the company plans to undertake include:

- Actively expanding the company's California source pools beyond its existing base of diverse suppliers and the national databases **tw telecom** has used in the past, including the CPUC Clearinghouse and the California Department of General Services (DGS) Supplier Diversity Website supplier databases.
- Continue participation in Supplier Diversity seminars, conferences, workshops, and renew membership(s) with supplier diversity councils in 2014.
- Continue supporting outreach efforts through contacts with minority and small business trade associations, and attendance at minority, veteran-owned, service-disabled veteran-owned, minority-owned and women-owned business procurement conferences and trade fairs nationally and locally within key markets (i.e., California).
- Partner with the Federal Small Business Administration, or the California state counterpart, to seek alternative sources for supply or opportunities to further mature **tw telecom's** diversity program.
- Partner with an Ethnic Business Association or Ethnic Chamber to seek alternative sources for supply or opportunities to further mature **tw telecom's** diversity program.

4. Subcontracting Program.

tw telecom plans to continue strengthening its Tier 2 subcontracting program that encourages prime contractors to expand their utilization of WMDVBE subcontractors pursuant to GO156 §6.3. In particular, **tw telecom** will focus on prime contractors with whom the company has historically spent over \$500,000 for products and services and \$1,000,000 for construction services. **tw telecom** will continue to encourage the use of the CPUC Clearinghouse to locate and validate the diversity status of subcontractors.

5. Employee Communication.

In 2014, **tw telecom** intends to continue to improve and enhance its internal Supplier Diversity web page to incorporate resources for employees to increase opportunities to locate diverse suppliers through use of internal bid lists, links to external sites (such as the CPUC and DGS Supplier Diversity website), and other informational tools specific to Supplier Diversity efforts. Additionally **tw telecom** is continuing to expand its Purchasing process and vendor communications through use of B2B solutions. As part of these efforts, **tw telecom** will seek opportunities to further develop means for vendors to update their records with current diversity status, and to streamline WMDVBE inclusion on bid opportunities. **tw telecom** is also working to identify a mechanism for new, diverse suppliers to register for inclusion in future business solicitations. The research, development and implementation are planned for 2014-2015.

6. Contracting.

tw telecom will continue to work to identify bid opportunities and include supplier diversity provisions in its RFIs, company Certification Forms (that enable the company to further identify opportunities and track the diverse status of its supplier base), and incorporate diversity requirements in its due diligence process. Due diligence requirements will be reinforced systematically within **tw telecom's** Financial and Procurement programs which, for orders greater than \$100k, will trigger a buyer review prior to final award of business for inclusion of diverse suppliers in the due diligence process.

7. Data Quality.

tw telecom will continue its efforts to update and maintain diverse supplier records by mailing, phoning and emailing suppliers and requesting updates to the company's Supplier Certification Form. There is a 2014 initiative to conduct a mass update request of the embedded base to re-validate the supplier diversity self-certification designations. New suppliers will continue to be required to complete a Supplier Certification Form and provide a current certification as part of the company's AP set-up process.

8. Supplier Certification.

tw telecom plans to train on and use the CPUC Clearinghouse, including the certification process, and encourage the company's existing diverse suppliers to submit for certification.

In order to meet its 2014 goals, **tw telecom** has established the following external activities:

1. Attending WMDVBE Business Opportunity Workshops, Minority Business Enterprise Seminars and Trade Fairs.
2. Contacting Diverse and Small business trade associations.
3. Identifying and working with primary contacts at small and diverse trade associations to improve upon networking and sourcing opportunities.
4. Contacting Diverse Business Development organizations.
5. Attending Minority, Women-owned, and other Diverse business/procurement conferences.

10.1.3 PLANS FOR RECRUITING WMDVBE SUPPLIERS OF PRODUCTS OR SERVICES WHERE WMDVBE UTILIZATION HAS BEEN LOW, SUCH AS LEGAL AND FINANCIAL SERVICES, FUEL PROCUREMENT, AND AREAS THAT ARE CONSIDERED HIGHLY TECHNICAL IN NATURE.

- **tw telecom's** Supplier Diversity Team plans to continue to work with company departments that purchase products or services, in areas where WMDVBE utilization has been low, to help design procurement "packages" that permit and encourage the participation of WMDVBE concerns.
- Directly or indirectly counsel WMDVBE suppliers and/or California employees on areas that present subcontracting opportunities.

10.1.4 PLANS FOR SEEKING AND OR RECRUITING WMDVBE SUPPLIERS OF PRODUCTS OR SERVICES IN ANY "EXCLUDED CATEGORY" OF PRODUCTS OR SERVICES WHICH HAS BEEN REMOVED FROM THE PROCUREMENT DOLLAR BASE USED TO SET GOALS BECAUSE OF THE ESTABLISHED UNAVAILABILITY OF WMDVBE SUPPLIERS. PLANS FOR SEEKING AND OR RECRUITING WMDVBE SUPPLIERS OF PRODUCTS OR SERVICES WHERE WMDVBE SUPPLIERS ARE CURRENTLY UNAVAILABLE

tw telecom presently has no plans to purchase or classify any products or services in an "excluded category" in 2014.

10.1.5 PLANS FOR ENCOURAGING BOTH PRIME CONTRACTORS AND GRANTEES TO ENGAGE WMDVBES IN SUBCONTRACTS IN ALL CATEGORIES WHICH PROVIDE SUBCONTRACTING OPPORTUNITIES.

tw telecom is committed to providing increased opportunities for diverse businesses, but in some cases the company is challenged by supply chain realities that may impede the ability to buy directly from WMDVBE suppliers. In those cases, *tw telecom* relies upon its prime contractors' Tier 2 subcontracting activities to expand supplier diversity efforts. While *tw telecom* has focused its efforts on direct procurement from WMDVBE vendors, the company also requests that its Tier 2 providers utilize diverse suppliers in fulfillment of their contracts. This process is designed to augment existing efforts to increase meaningful business opportunities for diverse suppliers.

tw telecom remains committed to achieving the maximum practical utilization of WMDVBE vendors in all categories and sees Tier 2 purchases as an opportunity to expand business opportunities. It should be noted, however, that the award of subcontracts are at the sole discretion of the prime contractor.

10.1.6 PLANS FOR COMPLYING WITH THE WMDVBE PROGRAM GUIDELINES ESTABLISHED BY THE COMMISSION AS REQUIRED BY PUBLIC UTILITIES SECTION 8283(c). THE EXECUTIVE DIRECTOR'S OFFICE WILL BE RESPONSIBLE FOR DEVELOPING, PERIODICALLY REFINING, AND RECOMMENDING SUCH GUIDELINES FOR THE COMMISSION'S ADOPTION IN AN APPROPRIATE PROCEDURAL FORUM

Understood.